ECONOMIC COMMENTARY

Another Strong Year for Employment Growth in Alberta

February 14, 2013

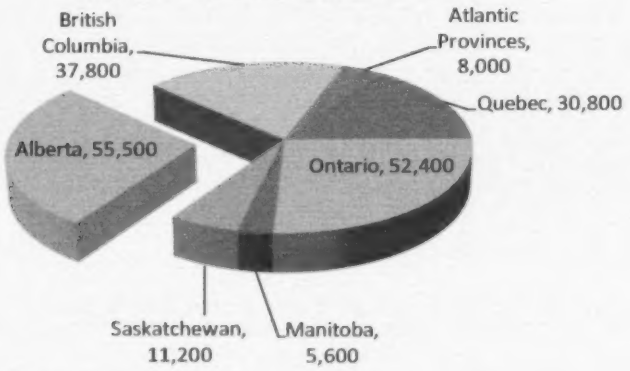
Highlights:

According to Statistics Canada's Labour Force Survey, employment rose 55,500 in Alberta in 2012 or by 2.7% from 2011, the highest provincial growth rate. Most of the employment gains were recorded in the Edmonton and Calgary regions. Alberta's unemployment rate fell to a four-year low of 4.6%.

Alberta
Government

After leading the nation in 2011 for employment growth, Alberta again led all provinces in 2012 as employment rose by 55,500 or 2.7%. Full-time employment rose 64,000, and part-time employment fell by 8,600. Alberta accounted for 28% of Canada's 2012 employment gains, a much higher share than Alberta's 12% share of Canada's employment level in 2012. This large employment gain was supported by strong in-migration: between 2011 and 2012 Alberta accounted for one-quarter of Canada's net migration.

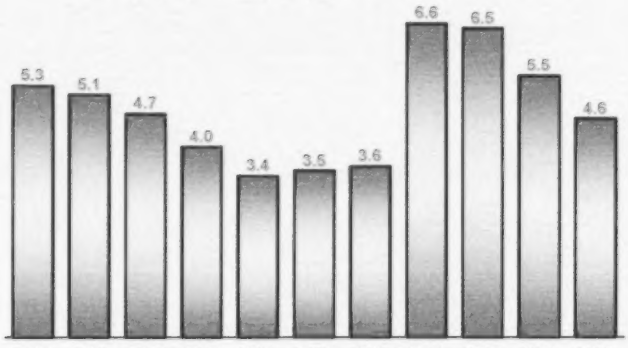
Employment Growth by Province in 2012



Source: Statistics Canada

Alberta's unemployment rate fell to 4.6% in 2012, down from 5.5% in the previous year, and was the lowest rate in the country. While quite robust, this level is still above the 2005 to 2008 unemployment rates. Low rates in that earlier time period contributed to elevated cost inflation in the province. Currently, inflation remains in check.

Unemployment Rates (%) in Alberta 2002 - 2012



Source: Statistics Canada

The age groups with the largest employment gains between 2011 and 2012 were:

1. 55 to 59 years – up 13,300 or 7.6%
2. 30 to 34 years – up 12,500 or 5.2%
3. 40 to 44 years – up 10,700 or 4.7%

4. 65 years and over – up 6,600 or 9.7%
5. 25 to 29 years – up 6,500 or 2.5%

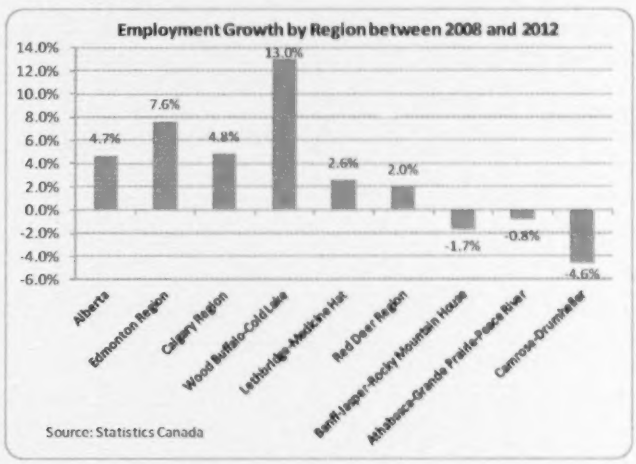
All of the above age groups had strong population growth in 2012, mainly due to in-migration.

Employment in the 15 to 24 years group continued to decline in 2012 and fell by more than 40,000 (or 11.4%) between 2008 and 2012. This decline is partly the result of demographic changes as the population of that same age group also declined during that period. However, a contributing factor is also that fewer people in that age group are now participating in the labour force than in 2008 as the labour force participation rate declined from 73.7% in 2008 to 68.4% in 2012.

The 45 to 49 years group declined for a third year in a row and lost more than 15,000 jobs between 2009 and 2012, as a result of a decline in the population of that age group.

Unemployment rates fell for all age groups (except for those 65 years and over) with the largest declines noted for the 15 to 24 years group (from 10.7% in 2011 to 8.9% in 2012) and the 30 to 34 years group (from 4.7% to 3.4% - the lowest unemployment rate among all age groups). All age groups between 30 and 54 years of age had unemployment rates of less than 4% in 2012. Unemployed Albertans were without a job for an average of 12.7 weeks in 2012, well below 2011's average of 15.4 weeks but much higher than the 2008 average of 7.9 weeks.

On a regional basis using Statistics Canada's Economic Regions, employment grew the strongest in the Calgary region in 2012 with a 3.7% employment gain, followed by the Edmonton region at 3.5%, Lethbridge – Medicine Hat at 2.8% and Wood Buffalo at 2.7%. In 2012, the Edmonton and Calgary regions accounted for just over 95% of Alberta's total employment gain. Between 2008 and 2012, employment increased by 13% in Wood Buffalo, 7.6% in Edmonton and 4.8% in Calgary. All regions registered unemployment rates of less than 5% in 2012, with the lowest rates recorded in Camrose – Drumheller (3.7%) and Jasper – Banff (3.9%).



Overall, Alberta is leading the country in employment gains. These gains are supported by strong in-migration, resulting in low, but not necessarily inflationary levels of unemployment. Demographic pressures persist. Regionally, Edmonton, Calgary and Wood Buffalo remain centres of growth.